

Funding Acquisitions and Assessments If There Are Insufficient “Non-Restoration” Funds

December 22, 2003

With an estimated \$26 million available for the Fifth Grant Round and a statutory requirement that the Board must spend at least \$23,187,500 on restoration, there will be only about \$2.8 million available for acquisition grants and assessment grants that are not directly related to restoration. It is likely that requests for such projects from lead entities will exceed this amount.

If, after the first and second increments of funding for lead entity project lists are determined, there is insufficient funding for some of the non-restoration projects that would otherwise have been funded, the Board will have to decide which of these projects will receive the limited funds.

Staff recommends that the ITF examine three approaches: proration, rank-order, and separate evaluation. The proration approach was discussed at the December SRFB meeting but the Board asked that the ITF look at alternate approaches.

Proration

In this approach, the limited funding for non-restoration projects would be prorated across the lead entity lists in proportion to their total allocation. For example, a lead entity list that was to receive a total allocation of \$1.6 million would receive twice the number of non-restoration dollars than a list with a total allocation of \$0.8 million. The method of calculating this is shown in Attachment A.

Rank Order

In this approach, the Board would fund all of the non-restoration projects that were number one on a lead entity ranked list. If there were more non-restoration funds available, the Board would fund all of the non-restoration projects that were number two on a lead entity ranked list, and so forth until the non-restoration funds were exhausted.

Separate Evaluation

If in August it appeared that there were insufficient funds for non-restoration projects, the Board would evaluate these projects separately. Possible criteria for evaluating acquisition projects can be found in Attachment B of this memo and for assessment projects in Attachment C. This evaluation could be done by the Review Panel, with the participation of the technical advisors, or by the Board.

Attachment A Proration of Non-Restoration Funds

The following example shows how the limit on funding for non-restoration projects could be prorated across the lead entity lists in proportion to their total allocation. Assume that \$26,000,000 is available for the Fifth Round. Also assume that seven lead entities are requesting funds for “non-restoration” projects (acquisition and assessment projects that do not fit the Board’s definition of restoration). The total requested is \$10,074,520 but the amount available is \$2,812,500. The table below shows some hypothetical numbers for the total allocation to these lead entities based on the base and “fit to strategy” decisions and the “non-restoration” requests that would otherwise have been funded by the allocation. To prorate the “non-restoration” funds across these lead entities in proportion to their allocation, the following calculations would be made:

1. Add the total allocations for the lead entity lists with “non-restoration” projects (column 2).
2. Calculate the percentage of the total allocation for each of the affected lead entity lists (column 3).
3. For each affected lead entity list, add up the “non-restoration” projects in the portion of the list that would otherwise be funded (column 4) and total that amount for all of the affected lead entities.
4. Use the percent of total allocation (column 3) to calculate each lead entity's share of the available “non-restoration” funds (column 5).

Each lead entity still receives their total allocation. However, out of that allocation they would only have the amount of “non-restoration” funding in calculated above for “non-restoration” projects. The funds that cannot be used on “non-restoration” projects would be moved down the project list to additional restoration projects.

Example of Prorating the Limit On Funding Non-Restoration Projects

<u>Lead Entity</u>	<u>Total Allocation</u>	<u>Percent of Total Allocation</u>	<u>Requested “Non- Restoration” Projects</u>	<u>Non-Restoration Funds Prorated</u>
Lead Entity A	\$1,245,000	12.4%	\$355,000	\$347,566
Lead Entity B	\$2,509,230	24.9%	\$922,500	\$700,501
Lead Entity C	\$650,000	6.5%	\$300,000	\$181,460
Lead Entity D	\$425,000	4.2%	\$145,000	\$118,647
Lead Entity E	\$935,000	9.3%	\$378,000	\$261,024
Lead Entity F	\$3,450,290	34.2%	\$3,450,290	\$963,216
Lead Entity G	\$860,000	8.5%	\$600,000	\$240,086
	\$10,074,520	100.0%	\$6,150,790	\$2,812,500

Attachment B

Possible Criteria for Evaluating Acquisition Projects

- Benefits and certainty (high, medium and low) (would be rated by the Review Panel technical advisors)
- Rank on lead entity list
- Preference for acquisition stated in strategy
- Proportion of land area directly affecting salmon habitat (>60%).
- Length of protected anadromous stream(s); area or length of protected off-channel habitat
- Protecting both sides of anadromous stream(s)
- Documented use by of targeted species
- Land contiguous with other protected areas.
- Size of match (>15%)
- Protection of project area has large benefits relative to costs.
- Applicant has secured a purchase and sale agreement, an option to purchase agreement, or signed letter of intent from landowner.
- Applicants track record in implementing protection projects
- Fund whole projects or a portion of a multi-parcel project
- Efficiencies, cost savings (donated land or services)
- Long term stewardship plan and funding strategy
- Total dollar amount being requested
- Public support
- Biological priorities (TRT priorities such as diversity, multiple core populations, benefits to multiple listed species)
- Level of coordination w/ broader recovery planning
- Project includes monitoring that could be used to demonstrate the effectiveness of acquisition projects; the project is part of an Intensively Monitored Watershed strategy.
- Less-than-fee acquisition
- Protects natural functions, not just symptoms resulting from disturbance of these functions
- Probable loss of a critical opportunity (opportunity for acquisition, other funding sources, partnerships, ...)

Attachment C

Possible Criteria for Evaluating Assessment Projects

- Benefits and certainty (high, medium and low) (would be rated by the Review Panel technical advisors)
- Rank on lead entity list
- Can be done in less than two years
- Has value beyond the lead entity (for example, providing information about a larger ecosystem; for development of regulations)
- Will be of immediate use
- The need was identified by past a SRFB Technical Panel
- Documented use of study area by targeted species.
- Size of match (>15%)
- Applicants track record in implementing assessment projects
- Efficiencies, cost savings (coordination; donated services)
- Total dollar amount being requested
- Public support
- Biological priorities (TRT priorities such as diversity, multiple core populations, benefits to multiple listed species)
- Level of coordination with broader recovery planning
- Could serve as baseline for future monitoring efforts such as in a Intensively Monitored Watershed
- Assesses natural functions, not just symptoms resulting from disturbance of these functions
- Loss of a critical opportunity (other funding sources, partnerships, ...)